

**DELTA PROTECTION COMMISSION**

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To: Delta Protection Commissioners  
From: Margit Aramburu, Executive Director  
Subject: Long-Term Funding Plan

Background

The Act mandates the Commission to prepare a long-term funding plan and submit that plan to the Governor and the Legislature on or before December 31, 1993. The plan is to set forth a recommendation for legislation that would provide funding sources to replace the 10% penalty assessment in the Delta Protection Act and to provide sufficient funding for its activities and operations.

Current Budget

The current budget is about \$210,000 including salaries, benefits, rents, day-to-day office expenses and miscellaneous offices expenses (copying, postage, paper, envelopes, phone bills, electric bills), and consultant help.

Future Budget Needs

For fiscal year 1994-95, the budget should be about the same, or lower, depending on program directions of the Commission to staff. Still undetermined at this time, are possible additional costs for meeting California Environmental Quality Act requirements.

Long-Term Funding Options

Two ideas for long-term funding identified below will not develop funding until July 1, 1995, at the earliest, using the normal legislative process; both require enactment of new legislation. If the legislation is emergency legislation, which requires two-thirds approval, the legislation can be enacted more quickly.

a. Penalty Assessment. No monies have been collected from the 10% penalty assessment included in the legislation. A letter was mailed all the local courts. However, tickets are not being issued due to cutbacks in the marine patrol, and when tickets are

issued they are not identified as Delta tickets subject to the penalty assessment, and the public is not paying the fines. Due to these administrative problems and due to the lack of funds generated, it seems futile to continue the program as a primary funding source.

b. Environmental License Plate. The environmental license plate concept has been studied by the Finance Subcommittee. Legislation submitted in January of 1994 would become law in January 1995. The Commission would have one year to "sell" 5,000 license plates, the minimum number required. The Commission can set its own price. The first year funds will be largely tapped by the Department of Motor Vehicles to cover costs of setting up the program; cost estimated to be \$190,000 dollars, or \$38 for each of 5,000 license plates. Funds from renewals would begin accruing in January 1997.

Pros: Entirely new source of funds.

Would generate other marketable merchandise which would also generate income.

No taxes or fines; more popular support.

Cons: Long timeline for revenue generation; revenue stream starts in January, 1997.

Lack of staff or organization to sell 5,000 license plates (flyers and advertising).

c. Delta Revenues. A new proposal would be to capture about 17%, \$250,000 out of \$1,500,000, of fees and royalties generated by State Lands Commission leases and gas wells in the Delta. Currently, the monies go to the State general fund. Legislation submitted in January of 1994 would become law in January of 1995; funds would be authorized by Legislature in the 1995-1996 budget process (July 1, 1995).

Pros: Monies generated from State resources in the Delta would be ear-marked for development and implementation of a resource management plan for the Delta.

Legislation would cease at the same time as the "sunset" for the Commission.

Cons: Subject to additional authorization by Legislature.

Would divert monies formerly directed to the general fund.

#### Other Long-Term Funding Sources

In the long-term, the Commission may be eligible for federal

monies in the form of grants to assist in implementing the Comprehensive Conservation and Management Plan prepared by the San Francisco Estuary Project. Governor Wilson concurred with the plan, with conditions. Congresswoman Nancy Pelosi has submitted legislation for a five year, \$65 million funding and implementation program. Funds would be available in June, 1995.

#### Interim Funding.

Because each of the two legislative concepts leaves a gap in funding for the Fiscal Year 1994-1995, interim funding is being sought from a variety of special funds. To date, funds have been sought from the Environmental License Plate Fund and other sources.

#### Recommendation

The Commission should receive the report from the Subcommittee on Budget and Finance, and select an option to forward to the Governor and the Legislature.